MULTIMEDIA UNIVERSITY ®

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017

BGM 3854 – GLOBAL MANAGEMENT

(All Sections)

4 MARCH 2017
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FOUR pages** excluding the cover page.
2. Attempt **ALL** questions. Answer Section A in the OMR sheet provided. Write your answers for Section B in the answer booklet.

SECTION A [40 MARKS]

Instructions: Answer ALL questions. Shade your answers in the OMR sheet provided.

1. The Malaysian government buying its own securities on the open market is part of the _____ of Malaysia.
   A. fiscal policy
   B. monetary policy
   C. industrial policy
   D. investment policy

2. Which of the following forecasting techniques employs charts of past trends in currency prices and other factors to forecast exchange rates?
   A. financial analysis
   B. technical analysis
   C. value chain analysis
   D. fundamental analysis

3. What action can be taken by a government to cool off an inflationary economy?
   A. Lower interest rates
   B. Raise interest rates
   C. Lower foreign exchange rates
   D. Raise foreign exchange rates

4. Which of the following is a major driver of foreign direct investment?
   A. globalization
   B. cultural diversity
   C. vertical integration
   D. horizontal integration

5. A(n) _____ advantage is the one that a company gains from incorporating a business activity within itself rather than leaving it to a relatively inefficient market.
   A. location
   B. ownership
   C. comparative
   D. internalization

6. An example of market imperfection is _____.
   A. trade barriers
   B. government tax
   C. specialised manpower
   D. insufficient knowledge

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7. Which of the following is the most common method of buying and selling goods internationally?
   A. countertrade
   B. a turnkey project
   C. exporting and importing
   D. merger or an acquisition

8. According to the four-step model in developing an export strategy, the first step that should be taken by a firm is _____.
   A. initiate meetings
   B. commit resources
   C. match needs to abilities
   D. identify a potential market

9. _____ is the practice of selling goods or services to another country by a company that promises to make a future purchase of a specific product from that country.
   A. An offset
   B. Switch trading
   C. Counterpurchase
   D. The barter system

10. Which of the following license grants a firm the exclusive rights to produce and market products in a specific geographic region?
    A. Import licence
    B. Export license
    C. Exclusive license
    D. Specialised license

11. The following are the advantages of franchising EXCEPT _____.
    A. Lower risks in terms of market entry
    B. High probability of rapid expansion
    C. Established marketing support system
    D. Flexibility and freedom to develop products

12. Which of the following is a political motive behind a government's intervention in trade?
    A. promoting a strategic trade policy
    B. gaining influence over other nations
    C. protecting young industries from competition
    D. protecting a country from unwanted cultural influence

13. Which of the following industries is typically protected for national security reasons?
    A. textile
    B. property
    C. machinery
    D. agriculture

14. _____ refers to the unwanted cultural influence in a nation that can cause great distress and lead governments to block imports it believes to be harmful.
    A. Dumping
    B. Capitalism
    C. Cultural imperialism
    D. Cultural protectionism

15. _____ is defined as a form of trade restriction whereby lower tariff rate is imposed on certain quantity of imports and a higher rate is imposed for the quantities that exceed the quota.
    A. Quota
    B. Embargo
    C. Tariff-quota
    D. Export quota

16. The importance of trade for a nation can be measured by _____.
    A. the living standards of people involved in only trade activities
    B. examining the volume of its trade relative to its total output
    C. examining the amount of wealth acquired by the national government through restrictive trade policies
    D. the number of acquired territories the nation has that serves as sources of inexpensive raw materials

17. The condition that results when the value of a nation's exports is greater than the value of its imports is called _____.
    A. dumping
    B. mercantilism
    C. a trade deficit
    D. a trade surplus

18. What is the main argument of the factor proportion theory?
    A. Countries export products that are in short supply.
    B. Countries produce and export goods that are short in supply and import goods that are abundant.
    C. Countries will most commonly strike a balance between the amount of export and import activities that take place.
    D. Countries produce and export goods that require resources that are abundant and import good that require resources in short supply

19. Which of the following refers to the second stage of a product life cycle?
    A. The firm introduces the product to the market and demand is somewhat uncertain.
    B. The market becomes aware of the existence of a firm's product and demand begins to rise.
    C. The market is rather oblivious of the existence of a firm's product and demand of the product remains stable.
    D. The firm begins to receive competitors selling the same product and the demand for the product experiences a decline.

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20. A majority of the total world merchandise trade occurs among _____.
    A. emerging markets
    B. high-income economies
    C. newly industrialized countries
    D. middle-income and low-income economies

SECTION B [60 Marks]

Instructions: Answer ALL questions in the answer booklet provided. Each question carries equal marks.

Question 1

a. Define what is meant by globalisation. (4 marks)

b. What is globalization of markets? Explain the 5 (five) benefits of globalisation of markets. Provide relevant examples for each benefit. (16 marks)

Question 2

a. State and describe the 4 (four) corporate responsibility issues and explain how these issues can impact a company's international relations. (12 marks)

b. What is the totalitarian system? State and explain the 3 (three) features of totalitarian governments. (8 marks)

Question 3

a. What are the 6 (six) factors companies should consider before developing their product strategies? Why are these 6 (six) factors important? (18 marks)

b. Explain the difference between the push and pull strategies of promotion. (2marks)

End of Paper.